

VZCZCXYZ0000
RR RUEHWEB

DE RUEHZP #0765/01 2871806
ZNY SSSSS ZZH
R 141806Z OCT 09
FM AMEMBASSY PANAMA
TO RUEHC/SECSTATE WASHDC 3852
INFO RUEHBO/AMEMBASSY BOGOTA 0008
RUEHGT/AMEMBASSY GUATEMALA 0014
RUEHMU/AMEMBASSY MANAGUA 0669
RUEHME/AMEMBASSY MEXICO 3874
RUEHSJ/AMEMBASSY SAN JOSE 2067
RUEHSN/AMEMBASSY SAN SALVADOR 1598
RUEHTG/AMEMBASSY TEGUCIGALPA 0464
RUEABND/DEA WASHDC
RHMFISS/CDR USSOUTHCOM MIAMI FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHMFISS/JOINT STAFF WASHINGTON DC
RHEHAAA/NSC WASHDC
RUEKJCS/SECDEF WASHDC

S E C R E T PANAMA 000765

NOFORN
SIPDIS

E.O. 12958: DECL: 10/05/2029
TAGS: [PGOV](#) [PREL](#) [PM](#)
SUBJECT: POTENTIAL SCANDAL BREWING FOR MARTINELLI

REF: A. A. PANAMA 756
[1](#)B. B. PANAMA 639

Classified By: Ambassador Barbara J. Stephenson f...

S E C R E T PANAMA 000765

NOFORN
SIPDIS

E.O. 12958: DECL: 10/05/2029
TAGS: [PGOV](#) [PREL](#) [PM](#)
SUBJECT: POTENTIAL SCANDAL BREWING FOR MARTINELLI

REF: A. A. PANAMA 756
[1](#)B. B. PANAMA 639

Classified By: Ambassador Barbara J. Stephenson for reasons 1.4 (b) and (d)

Summary

[1](#)1. (S//NF) Failed PRD candidate for president Balbina Herrera publicly alleged September 24 that Secretary of State for Security Jose Almengor had withheld evidence during the past presidential campaign that incriminated President Martinelli in the David Murcia scandal. That scandal contributed to the defeat of Herrera, who was accused of having accepted campaign contributions from Murcia. Herrera claims that Almengor, who was the lead drug prosecutor at the time, obtained a cassette that indicated Martinelli had received an \$800,000 campaign contribution from Murcia. Almengor is now strongly rumored to be one of Martinelli's picks for two slots on the Supreme Court (ref A). Herrera claimed Almengor had accepted a pay off for his silence by working for the government. Almengor denied the charges, but Post had received information during the campaign from Martinelli's campaign manager that indicated there might well have been a connection. DEA also reports that Almengor came across information that implicated Martinelli during his investigation of Murcia, and that he suppressed the information. End Summary.

Balbina Strikes Back

¶2. (U) According to Panama City daily La Estrella, on September 24 former Democratic Revolutionary Party (PRD) presidential candidate Balbina Herrera publicly alleged that Secretary of State for Security in the Ministry of the Presidency, and former lead drug prosecutor, Jose Almengor had covered up evidence that President Ricardo Martinelli received an \$800,000 campaign contribution from David Murcia, convicted in Colombia and indicted in the U.S. for fraud and money laundering. Murcia had publicly stated that Herrera and PRD candidate for mayor of Panama City, Roberto Velazquez, had each received \$3 million campaign contributions from him. This accusation damaged each of their campaigns, and they both lost. Herrera now claims that Almengor, who was one of the prosecutors working on the Murcia investigation in Panama, obtained a cassette that showed that Murcia had donated \$800,000 to Martinelli's campaign. Almengor resigned as a prosecutor during the investigation after the Attorney General criticized him for allowing one of the suspects to leave the country. Almengor began working for the Martinelli government almost immediately after the election, and it has been strongly rumored that Martinelli intends to appoint him to the Supreme Court. Referring to these rumors, Herrera said, "How well they have paid you, Jose Abel Almengor!"

Half Hearted Denial

¶3. (U) La Estrella quotes Almengor giving a very specific denial: "In the investigation that took place, no request was made to the Penal Chamber of the Supreme Court for any video or filming. There are no (recordings) in the case file, nor is there any evidence that there ever was." He noted he did not lead the campaign finance portion of the investigation, but rather the money laundering portion. He said he had not decided if he would submit his name for consideration for nomination to the Court.

Twisted Tale

¶4. (S//NF) Right before the scandal over Murcia's alleged financing of the two PRD candidates broke in March, Martinelli's campaign manager, and now Minister of the Presidency, Jimmy Papadimitriu told Emboff that news was about to break that Martinelli had received a large campaign contribution from the Brazilian construction firm Odebrecht that was carrying out several very large public infrastructure projects in Panama (the Martinelli government drew criticism recently when it awarded Odebrecht a no-bid contract for a \$60 million road construction project.) Papadimitriu claimed that Odebrecht money had been accidentally "commingled" by Martinelli's lawyer, Alma Cortez, in accounts belonging to Murcia. Cortez was Murcia's lawyer in Panama.

Further Connections

¶5. (S//NF) DEA reports that Panamanian Director of Tourism, and one of the main strategists of Martinelli's campaign, Salo Shamah has a brother, Alberto Shamah, who worked as Murcia's pilot. According to a DEA source, Alberto Shamah once flew Martinelli's plane with Murcia on board. After the Murcia scandal broke, all records of that flight disappeared. The source further alleged that Almengor knew about the flight while he was investigating Murcia, but suppressed the information. Almengor himself told DEAFSN that Salo Shamah had originally put him in touch with Papadimitriu, from which began his relationship with the Martinelli government.

Comment

16. (S//NF) There is a lot of noise about the Martinelli-Murcia-Almengor connection, which is putting the story Papadimitriu told us last March in a fresh light. It now seems likely that there was a Martinelli-Murcia connection. Almengor's inexplicable rise to prominence is causing the story to rise from the dead, and threatening Martinelli's image as an anti-corruption crusader. This potential damage to his moral authority is the most significant aspect to the story. There is also, however, a possibility that Martinelli could be blackmailed by others who have information about this connection, which may be at least part of what is fueling his desire for political intelligence (ref B).
STEPHENSON